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DOCKET SECTION

BEFORE THE

POSTAL RATE COMMISSION RECEIVED
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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

DOUGLAS F. CARLSON
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
WITNESS SUSAN W. NEEDHAM
(DFC/USPS-T39-14-24)

September 15, 1997

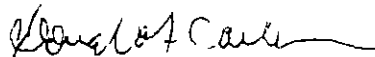
Pursuant to sections 25 and 26 of the *Rules of Practice*, I, Douglas F. Carlson,
hereby submit interrogatories to United States Postal Service witness Susan W.
Needham.

If the witness is unable to provide a complete, responsive answer to a question, I
request that the witness redirect the question to a witness who can provide a complete,
responsive answer. In the alternative, I request that the question be redirected to the
Postal Service for an institutional response.

The instructions contained in my interrogatories to witness Fronk (DFC/USPS-
T32-1-7) are incorporated herein by reference.

Respectfully submitted,

Dated: September 15, 1997



DOUGLAS F. CARLSON

DFC/USPS-T39-14.

a. If the fees for single-sale stamped envelopes that you have proposed are approved, please confirm that the fee for a non-hologram envelope will be \$0.07 and the fee for a hologram envelope will be \$0.08. If you do not confirm, please explain.

b. Please confirm that the two-tier fee structure described in part (a) will cause confusion among customers. If you do not confirm, please explain all reasons why you believe that this fee structure will not cause customer confusion.

c. If you do not confirm in part (b), please confirm that customers may be confused initially but will understand the fee structure over the long term. If you do not confirm, please explain fully.

d. *Is the Postal Service concerned about the confusion that may arise from a fee structure that charges different fees for two types of stamped envelopes?*

e. Does the Postal Service believe that the negative effects of any confusion that exists in the short term due to the two-tier fee structure will be mitigated by the benefits of this two-tier fee structure over the long term?

DFC/USPS-T39-15. Are customers confused by the fact that they must pay 38 cents for a stamped envelope even though the rate for mailing a single-piece, nonpresorted, first-class letter is only 32 cents? If so, is this confusion a problem?

DFC/USPS-T39-16. Has the price of a stamped envelope (currently, 38 cents) caused some customers to believe that the rate for mailing a one-ounce, nonpresorted, first-class letter also is 38 cents? Please explain why or why not.

DFC/USPS-T39-17. Please confirm that the per-unit manufacturing cost of a stamped card that is printed using only one ink color, in a design that is no more complex than the designs of the 20-cent stamped cards that the Postal Service currently offers for sale, would be less than the cost of printing a multi-color stamped card similar to one of the 20-cent stamped cards that the Postal Service currently offers for sale. If you do not confirm, please explain your answer fully and provide all evidence that is available

to support your answer and provide cost data for the most-recent year in which the Postal Service manufactured both a single-color stamped card and a multi-color stamped card.

DFC/USPS-T39-18. Please explain all reasons why the Postal Service stopped printing stamped cards in single-color designs. In your answer, please explain the role of a former postmaster general in instigating or encouraging this change.

DFC/USPS-T39-19. Please provide the before-rates and after-rates cost coverages for all types of single-sale stamped envelopes.

DFC/USPS-T39-20. Does the Postal Service believe that the distinctive appearance of the preprinted postage on some stamped envelopes adds value to stamped envelopes?

DFC/USPS-T39-21.

a. Does the Postal Service believe that the distinctive, attractive appearance of the preprinted postage on many multi-colored, 20-cent stamped cards that the Postal Service currently sells adds value to a stamped card?

b. Might some customers use a stamped card instead of a private post card because they enjoy or believe that the addressee will enjoy the distinctive, attractive appearance of the preprinted postage on a stamped card?

DFC/USPS-T39-22. Please refer to your response to DFC/USPS-T40-10.

a. Please confirm that DFC/USPS-T40-10 asked you to answer the question by focusing on *only* DMM §§ S912.1.1 and S917.1.1.

b. Please provide a copy of the page(s) from the DMM that indicate that DMM § S912.1.1 refers to “return receipt requested after mailing” and “restricted delivery.”

c. If appropriate, please provide the confirmation that was requested in DFC/USPS-T40-10.

DFC/USPS-T39-23. Please refer to your response to DFC/USPS-T40-11.

a. Please confirm that metered Priority Mail that weighs over 16 ounces can be deposited in street collection boxes. If you do not confirm, please explain and provide appropriate documents.

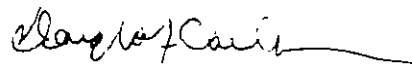
b. Please confirm that certified mail to which a return receipt is attached may be deposited in street collection boxes. If you do not confirm, please explain.

c. Please cite the DMM section that offers a duplicate return receipt to a customer who purchased return receipt for merchandise.

DFC/USPS-T39-24. Please refer to your response to DFC/USPS-T39-7. Please also refer to the Commission's Opinion and Recommended Decision in Docket No. MC96-3 at page 64, where the Commission wrote, "On this record the Commission also finds unconvincing the Postal Service's arguments for giving increased weight to demand when pricing post office boxes. The Service has not provided sufficient evidence of demand for box service. While CMRAs may be in competition with post office boxes, both Carlson and Popkin raise pertinent questions about the comparability of their services." Where in your testimony in Docket No. R97-1 do you provide evidence about demand for box service that you did not already provide in Docket No. MC96-3?

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon the required participants of record in accordance with section 12 of the *Rules of Practice* and sections 3(B) and 3(C) of the *Special Rules of Practice*.



DOUGLAS F. CARLSON

September 15, 1997
Emeryville, California